

**IOWA LEGISLATIVE HEALTH CARE
COVERAGE COMMISSION**

**WORKGROUP III
EXCHANGES**

2011 RECOMMENDATIONS

Nov. 19, 2010

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I. BACKGROUND.

At the Workgroup III meeting on October 25, 2010, the Workgroup discussed recommendations to present to the Commission at its November 10th meeting. Those recommendations were adopted unanimously and presented to the Commission at the November 10th meeting.

At the November 10th Commission meeting, Chairperson Carlyle and Vice Chairperson Williams presented additional recommendations for Workgroup III to consider and possibly adopt or integrate into the Workgroup's initial recommendations. At the November 10th meeting the Commission unanimously adopted Workgroup III-Recommendation E as amended.

II. RECOMMENDATIONS FROM THE CHAIR AND VICE CHAIR IOWA INSURANCE INFORMATION EXCHANGE RECOMMENDATIONS.

Recommendation A. [Chairperson and Vice Chairperson Recommendations]

The Iowa Health Care Coverage Commission shall serve as the Iowa Insurance Information Exchange Advisory Board in order to fulfill its statutory duties as specified in S.F. 2356 (Iowa Code §505.32), which consist of (see text of statute in Appendix):

- 1. Receiving an update on the status of the Iowa Insurance Information Exchange at all Commission regular meetings through July 1, 2011. The updates provided by the Iowa Insurance Division (Insurance Division) should include but not be limited to the following:**
 - a) A description of the progress made by the Insurance Division in developing and operationally implementing the Iowa Insurance Information Exchange;
 - b) A description of the resources available to consumers through the Iowa Insurance Information Exchange;
 - c) Information about utilization of the resources offered by the exchange, including demographic information that illustrates how and by whom the exchange is being utilized; and
 - d) A description of the costs of implementing and operating the Iowa Insurance Information Exchange;
 - e) A description of how the Iowa Insurance Information Exchange is promoting greater transparency in providing quality data on health care providers and health care coverage plans and in providing data on the cost of medical care that is easily accessible to the public; and
- 2. The Iowa Insurance Information Exchange shall focus on the needs of Iowa health care consumers.**
 - a) The Iowa Insurance Information Exchange should provide easily accessible information that is accurate, standardized in format, easy to read, understand, and navigate and available 24 hours a day via a website, to all Iowans and consisting of but not limited to:
 - i. Public and private health insurance coverage options available in Iowa;
 - ii. Information on the administrative costs of private coverage, and the percentage and source of any state and federal funding available for private coverage;
 - iii. Side-by-side comparisons of private health insurance coverage options offered by insurance carriers, organized delivery systems, and public programs including but not limited to premiums costs, benefits covered and not covered, the amount of coverage for each service, including co-pays and deductibles, administrative costs, and any prior authorization requirements for coverage;
 - iv. Information on the availability of care delivered by safety net providers.

- b) The Insurance Division should provide a toll-free telephone number for those consumers in need of additional assistance.
- c) The Insurance Division shall confer with the with the Iowa Insurance Information Exchange Advisory Board (Advisory Board) to review information available on the Iowa Insurance Information Exchange website and other publications to determine if changes or updates need to be made to the content provided by the Iowa Insurance Information Exchange.
- d) The Insurance Division and the Advisory Board shall work closely with consumer advocacy groups to assure the perspective of the consumer is considered in the content and style of the information provided by the Iowa Insurance Information Exchange, and shall include any reasonable additions to the Iowa Insurance Information Exchange the advocacy groups may recommend.
- e) The Insurance Division shall conduct an initial marketing campaign to promote the Iowa Insurance Information Exchange and availability of comparative health coverage information available in Iowa.
- f) The Insurance Division shall conduct an ongoing marketing campaign for the Iowa Insurance Information Exchange.
- g) The Insurance Division shall review the Iowa Insurance Information Exchange plan of operation on a yearly basis with the assistance of the Advisory Board and shall make changes and amendments to the plan of operation as are necessary and appropriate.
- h) The Insurance Division shall, where information technology and considerations of consumer privacy protection allow, monitor the demographic composition of the persons accessing the Iowa Insurance Information Exchange, in the areas of age, marital, insurance coverage status, geographic location and other factors that may be relevant to the operation of the Iowa Insurance Information Exchange, and to the development of a potential future Iowa 2014 Health Benefit Purchasing Exchange.
- i) The Insurance Division shall review all information available on the Iowa Insurance Information Exchange in a timely fashion or as required by law.

3. The Insurance Division should provide recommendations to the Iowa Insurance Information Exchange Advisory Board regarding:

- a) Statutory options that improve seamlessness in the health care system in Iowa.
- b) Funding opportunities to increase health care coverage in the state, particularly for individuals who have been denied access to health insurance coverage.
- c) In the event additional services or programs are added to the Iowa Insurance Information Exchange, the inclusion of such services shall be done on a timely basis as established by the Insurance Division with the assistance of the Advisory Board.

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Recommendation B. [Chairperson and Vice Chairperson Recommendations]

Transition to an Iowa 2014 Health Benefit Purchasing Exchange.

The Iowa Insurance Information Exchange shall be designed and operated to ensure the most seamless transition possible to an Iowa 2014 Health Benefit Purchasing Exchange within the dates proscribed by the Patient Protection and Affordable Care Act.

- ✓ The Iowa Legislative Health Care Coverage Commission (Commission), while serving as the Iowa Insurance Exchange Advisory Board throughout the term of its existence as specified in S.F. 389 (October 1, 2011), will collaborate with the Iowa Department of Public Health, the Iowa Department of Human Services, the Division of Insurance and the Department of Revenue as they pursue the objectives of the recently awarded PPACA Exchange Planning Grant. The Commission shall assist the Grant “Working Group” as it creates recommendations and plans regarding the development of an Iowa 2014 Health Benefit Purchasing Exchange under the Patient Protection and Affordable Care Act.

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Recommendation C. [Chairperson and Vice Chairperson Recommendations]

Take Action in 2011 to Promote the Establishment of an Iowa 2014 Health Benefit Purchasing Exchange.

- The legislature should take action during the 2011 legislative session to establish an independent entity to guide the planning, development, and eventual governance of an Iowa 2014 Health Benefit Purchasing Exchange by 2014.
- ✓ This entity will provide the initial board leadership to create a plan of operation for an Iowa 2014 Health Benefit Purchasing Exchange.
- ✓ While a prospective model for an Iowa 2014 Health Benefit Purchasing Exchange governing board is found in Iowa Code §514E.2 Iowa Comprehensive Health Insurance Corporation, whatever governing model is chosen for the Iowa 2014 Health Benefit Purchasing Exchange governing board must have well-defined statutory authority to do its work.

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III. WORKGROUP III RECOMMENDATIONS.

Recommendation D. Iowa 2014 Health Benefit (Purchasing) Exchange

Iowa should take all necessary action to maximize its opportunities to administer its own health care markets by committing resources to the processes necessary to establish an Iowa Health Benefit (Purchasing) Exchange in 2014.

The Iowa 2014 Health Benefit Purchasing Exchange shall focus on the following goals:

- **Improve Access to Coverage**

- ▶ Reduce the number of uninsured Iowans by creating an organized, transparent marketplace for Iowans to:
 - Purchase affordable, quality health care coverage;
 - Claim available federal tax credits and cost-sharing subsidies; and
 - Meet the personal responsibility requirements imposed under the PPACA.

- **Strengthen the State Insurance Marketplace.**

- ▶ Promote the availability and renewability of health care coverage through the private health insurance market to qualified individuals and qualified small employers; and
- ▶ Require that health care service plans and health insurers issuing coverage in the individual and small employer markets compete on the basis of price, quality, and service, and not on risk selection.

- **Strengthen the Health Care Delivery System Quality**

- ▶ Improve the quality of health outcomes; and
- ▶ Promote the development of quality measurements for providers and transparency in provider quality measurements.

- **Promote Insurance Marketplace, Provider Cost and Exchange Operation Transparency**

- ▶ Promote the development of quality measurements for providers and transparency in provider cost and quality measurements.
- ▶ Promote transparency in exchange operations, especially the cost of coverage and levels of public subsidy; and
- ▶ Meet the requirements of the Patient Protection and Affordable Care Act and all applicable federal guidance and regulations.

Improve Cost Structure

- ▶ Reduce the rate of health care cost increases.
- ▶ Identify cost implications and make recommendations to ensure affordability for the state, including identifying the population size that will be eligible by income level and market type, and developing an estimate of Iowa 2014 Health Benefit Purchasing Exchange participation, and
- ▶ Ensure maximum federal subsidies, to the extent appropriate, for payers and state.

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The following recommendation, as amended was adopted unanimously at the Commission meeting on November 10, 2010.

Recommendation E. Iowa Insurance Information Exchange.

The Iowa Insurance Information Exchange shall be fully operational by July 1, 2011, and shall operate under the following guidelines:

- **Purpose**

The Insurance Information Exchange shall adopt as its purpose the provision of impartial information about available private and public health coverage options in Iowa, and the facilitation of enrollment through an insurance professional or designated state agency.

- **Governance**

- ▶ The Insurance Information Exchange shall be located in a new or existing State agency, with an advisory board. The advisory board shall consist of individuals representing carriers, providers, agents/brokers and the public. The advisory board shall:
 - ▶ Review the plan of operation and submit proposed amendments;
 - ▶ Create a financial plan that will insure the Iowa Insurance Information Exchange will be able to carry out its duties, including determining from the plan of operation if an assessment beyond the SF 2356 appropriation is necessary for the proper administration of the Iowa Insurance Information Exchange;
 - ▶ Review outstanding contracts or agreements and make necessary corrections, improvements or additions;
 - ▶ Hold quarterly advisory board meetings and an annual meeting of the advisory board to be held at such times and places as the advisory board may determine; and
 - ▶ Review, consider and act on any other matters deemed necessary and proper for the administration of the Iowa Insurance Information Exchange.
- ▶ Once the Iowa 2014 Health Benefit Purchasing Exchange is operational with a board of directors, the board of directors will assume the responsibilities of the Insurance Information Exchange advisory board.

- **Consumer Disclosure/Transparency**

- ▶ Carriers and public plans shall use a standardized format for presenting health coverage options in the Iowa Insurance Information Exchange to facilitate comparison of all plans.
- ▶ The exchange shall promote the development and use of quality measurements for providers, and transparency in provider cost and quality measurements.

- **Duties**

The Iowa Insurance Information Exchange shall be responsible for:

- ▶ Operating a call center/web portal system capable of:
 - ✓ Providing impartial and easily accessible information about available private and public health coverage options in Iowa (Medicaid, hawk-i IowaCare, High Risk Pools [state and federal]);

- ✓ Facilitating private and public plan enrollment through an insurance professional or designated state agency;
- ▶ Collecting data from carriers and public agencies and from the operation of the Iowa Insurance Information Exchange's call center/web portal;
- ▶ Coordinating and communicating between health plans and publicly provided coverage to ensure seamlessness;
- ▶ Conducting an initial marketing campaign promoting the Iowa Insurance Information Exchange and the availability of comparative health coverage information in Iowa;
- ▶ Conducting ongoing marketing of the Iowa Insurance Information Exchange; and
- ▶ Requiring carriers, organized delivery system, and public programs to submit coverage and eligibility changes quarterly to the Iowa Insurance Information Exchange agency for updates to call center/web portal.

SF 2356
(Selected passages)

505.32(3) Iowa insurance information exchange established. An Iowa insurance information exchange is established in the insurance division of the department of commerce under the authority of the commissioner of insurance.

a. The commissioner, in collaboration with the legislative health care coverage commission, shall develop a plan of operation for the exchange within one hundred eighty days from the effective date of this section. The plan shall create an information clearinghouse that provides resources where Iowans can obtain information about health care coverage that is available in the state.

b. The commissioner shall keep records of all financial transactions related to the establishment and operation of the exchange and shall deliver an annual fiscal report of the costs of administering the exchange to the general assembly by December 15 of each year.

505.32(4) Powers and duties of exchange.

- a. The commissioner shall report on the status of the exchange at all regular meetings of the legislative health care coverage commission, including progress in developing and implementing the exchange operationally, resources available through the exchange, information about utilization of the resources offered by the exchange, including demographic information that illustrates how and by whom the exchange is being utilized, and the costs of implementing and operating the exchange. The commissioner may make recommendations to the commission for including but not limited to the following:

- (1) Promotion of greater transparency in providing quality data on health care providers and health care coverage plans and in providing data on the cost of medical care that is easily accessible to the public.
 - (2) Statutory options that improve seamlessness in the health care system in this state.
 - (3) Funding opportunities to increase health care coverage in the state, particularly for individuals who have been denied access to health insurance coverage.
- b. The commissioner shall implement and maintain information on the insurance division internet site that is easily accessible and available to consumers and purchasers of health insurance coverage regarding each carrier licensed to do business in this state. The information provided shall be understandable to consumers and purchasers of health insurance coverage and shall include but is not limited to information regarding plan design, premium rate filings and approvals, health care cost information, and any other information specific to this state that the commissioner determines may be beneficial to consumers and purchasers of health insurance coverage. The commissioner may contract with outside vendors and entities to assist in providing this information on the internet site.
- c. The exchange shall provide information about all public and private health care coverage that is available in this state including the cost to the public, and comparisons of benefits, premiums, and out-of-pocket costs.
- (1) The commissioner may establish methodologies to provide uniform and consistent side-by-side comparisons of the health care coverage options that are offered by carriers, organized delivery systems, and public programs in this state including but not limited to benefits covered and not covered, the amount of coverage for each service, including copays and deductibles, administrative costs, and any prior authorization requirements for coverage.
 - (2) The commissioner may require each carrier, organized delivery system, and public program in this state to describe each health care coverage option offered by that carrier, organized delivery system, or public program in a manner so that the various options can be compared as provided in subparagraph (1).
- d. The commissioner shall provide ongoing information to taxpayers about the costs of public health care programs to the state,

including the administrative costs of the programs and the percentage and source of state and federal funding for the programs, utilizing information provided by the department of human services and the department of public health.

- e. The exchange may provide information to assist Iowans with making an informed choice when selecting health care coverage.
- f. The commissioner may utilize independent consultants, as deemed necessary, to assist in carrying out the powers and duties of the exchange.
- g. The commissioner may periodically advertise the general availability of health care coverage information available from the exchange.

505.32(5) Rules. The commissioner shall adopt rules pursuant to chapter 17A to implement the provisions of this section.